

Financial Assistance. The SBA provides approximately \$11 billion in financing to small businesses annually. This financing is made available through a variety of programs.

SBA's largest financial program is the Section 7(a) general business loan program. The 7(a) program offers loans to small businesses through local lending institutions. These loans are provided with an SBA guarantee of up to 80 percent and are limited to a maximum of \$750,000. The 7(a) program has a subsidy rate of 1.16 percent for fiscal year 2000 and an appropriation of \$107 million, permitting \$9.8 billion in lending.

The Section 504 loan program provides construction, renovation and capital investment financing to small businesses through CDCs. These CDCs are SBA licensed, local business development organizations which provide loans of up to \$750,000 for small businesses, in cooperation with local banks. CDCs provide 40 percent of the financing package, while the bank provides 50 percent, and the small business provides a 10 percent down payment. CDC funding is obtained through issuance of an SBA guaranteed debenture. The 504 program currently operates at no cost to the taxpayer but does require authorization.

The microloan program provides small loans of up to \$25,000 to borrowers in low-income areas. In fiscal year 1999 the program provided \$29 million in loans. In addition, the program has a technical assistance aspect that provides managerial and business expertise to microloan borrowers. Microloans are made by intermediary organizations that specialize in local business development. The program has a subsidy rate of 8.54 percent.

The Small Business Investment Company (SBIC) program provides over \$1.5 billion in long term and venture capital financing for small businesses annually. SBICs are venture capital firms that leverage private investment dollars with SBA guaranteed debentures or participating securities. The SBIC debenture program currently operates at a zero subsidy rate and requires no taxpayer subsidy. The participating securities program has a 1.8 percent subsidy rate.

Technical Assistance. The SBA provides technical and managerial assistance to small businesses through four primary programs—Small Business Development Centers (SBDCs), the Service Corps of Retired Executives (SCORE), the 7(j) technical assistance program, and the Women's Business Center program.

SBDCs are located primarily at colleges and universities and provide assistance through 51 center sites and approximately 970 satellite offices. Through a formula of matching grants and donations SBDCs offer small businesses guidance on marketing, financing, start-up, and other areas. The program currently receives \$84 million in appropriations.

SCORE provides small business assistance on-site through the volunteer efforts of its members. SCORE volunteers are retired business men and women who offer their expertise to small businesses. SCORE volunteers are reimbursed for their travel expenses and SCORE receives funding as well for a website and offices in Washington, DC.

The 7(j) program provides financing for technical assistance to the minority contracting community primarily through courses and direct assistance from management consultants. In addition, the program provides assistance participants to attend business administration classes offered through several colleges and universities.

The Women's Business Center program provides five year grants matched by non-federal funds to private sector organizations to establish business training centers for women. Depending on the needs of the community, centers teach women the principles of finance, management and marketing as well as specialized topics such as government contracting or starting home-based businesses. There are currently 81 centers in 47 states in rural, urban and suburban locations.

Disaster Assistance. The Small Business Administration also provides disaster loan assistance to homeowners and small businesses nationwide. This program is a key component of the overall Federal recovery effort for communities struck by natural disasters. This assistance is authorized by section 7(b) of the Small Business Act which provides authority for reduced interest rate loans. Currently the interest rates fluctuate according to the statutory formula—a lower rate, not to exceed four percent is offered to applicants with no credit available elsewhere, while a rate of a maximum of eight percent is available for other borrowers.

SECTION-BY-SECTION ANALYSIS

Section 501. Short Title.

Section 502. Reauthorization of Small Business Programs. This section provides the authorized appropriation levels for the following programs: Section 7(a) general business loans, Section 504 Certified Development Company loans, direct microloans, guaranteed microloans, microloan technical assistance, Defense Transition (DELTA) loans, Small Business Investment Company debentures, Small Business Investment Company participating securities, Surety Bonds guarantees, SCORE, disaster loans, and salaries and expenses.

The following are the authorizations levels for the financial programs:

(in millions)	2001	2002	2003
7(a)	\$14,500	\$15,000	\$16,000
504	4,000	4,500	5,000
Microloan	60	80	100
Microloan TA	45	60	70
Microloan gty	50	50	50
SBIC debentures	1,500	2,500	3,000
SBIC part. Securities	2,500	3,500	4,000
Surety bonds	4,000	5,000	6,000

This Title also authorizes the Service Corps of Retired Executives (SCORE). SCORE will be authorized at 5, 6, and 7 million dollars for fiscal years 2001, 2002, and 2003, respectively.

Title V also contains provisions authorizing funding for salaries and expenses at the Small Business Administration. These authorizations are established as "such sums as may be necessary".

Section 503. Additional Reauthorizations.

This section reauthorizes five programs:

(a) SBDC funding—Increases the authorization from \$95,000,000 to \$125,000,000.

(b) Drug Free Workplace—Extends authorization through fiscal year 2003 at \$5,000,000 per year.

(c) HUBZones—Authorizes appropriations of \$10,000,000 per year through fiscal year 2003.

(d) National Women's Business Council—Increases authorization to \$1,000,000 per year and extends authorization through fiscal year 2003.

(e) Very Small Business Concerns—Extends authorization through September 30, 2003.

(f) SDB Certification—Extends authorization through September 30, 2003.

TITLE VI

Title VI contains several miscellaneous authorizations and programs.

Section 601. Loan Application Processing. This section requires a study of the time required for SBA to process loan applications.

Section 602. Application of eligibility requirements. This section clarifies that women-owned business, socially and economically disadvantaged business, and veteran owned business status is to be determined without regard for the possible application of state community property laws. Certain SBA offices have been denying loan applications based upon the possibility that qualified individuals may divorce resulting in joint ownership of the small business.

Section 603. HUBZone Eligibility. This section includes a provision extending eligibility for HUBZone Small Business Concerns for an additional year if they are located in areas that recently were removed from HUBZone status.

Section 604. Subcontracting Preference for Veterans. This clarifies that the language included in subcontracting plans for small business concerns owned and controlled by veterans and used for the purpose of data collection also includes small business concerns owned and controlled by service disabled veterans. Apparently, there is confusion over the fact that the group of veteran owned businesses also includes service disabled veteran owned businesses.

Section 605. Small Business Development Center funding. This section reforms the formula for funding Small Business Development Centers.

Section 606. Surety Bond program. Reauthorizes the Surety Bond financing program.

SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY IRRIGATION WORKS OWNERSHIP

SPEECH OF

HON. J.D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 3, 2000

Mr. HAYWORTH. Mr. Speaker, during House floor consideration and passage of H.R. 2820, a draft resolution was inserted into the RECORD that was to have been a signed version of the resolution from the Salt River Pima-Maricopa Indian Community approving certain amendments to the Community's water code, as contemplated, and, indeed, as required by the bill. To correct this admission, I ask unanimous consent that the attached signed copy of the Community's resolution approving the requisite amendments to its water code be inserted into the RECORD and be included in the RECORD of the proceedings of the House with regard to H.R. 2820.

SALT RIVER PIMA-
MARICOPA INDIAN COMMUNITY,
Scottsdale, AZ.

RESOLUTION No. SR-2031-2000

Whereas, the Salt River Pima-Maricopa Indian Community ("SRP-MIC") Council has the authority pursuant to Article VII, Section 1(d)(5) of the Constitution of the SRP-MIC to provide for the proper use and development and prevent the misuse of the lands, natural resources and other public property of the SRP-MIC; and

Whereas, the Congress of the United States has under consideration the passage of H.R. 2820 to convey to the SRP-MIC the irrigation works formerly owned and operated by the

Bureau of Indian Affairs and located on SRP-MIC tribal and allottee land; and

Whereas, as a result of negotiations that led to the development of H.R. 2820, and amendments thereto, the legislation's language contemplates that the Community will adopt certain amendments to its Surface Water Management Code prior to enactment of the legislation: Now, therefore, be it

Resolved, That the SRP-MIC hereby adopts the attached amendments to its Surface Water Management Code, attached hereto as Exhibits "A" and "B" respectively; and be it further

Resolved, That, if substitute legislation for H.R. 2820 (1) is not passed by the Congress prior to the adjournment sine die of the 106th Congress, or (2) if so passed by Congress, but it is not signed into law during the 106th Congress, the approval by the Community of these amendments shall become null and void.

CERTIFICATION

Pursuant to the authority contained in Article VII, Section 1(d)(5) of the Constitution of the Salt River Pima-Maricopa Indian Community, ratified by the Tribe, February 28, 1990, and approved by the Secretary of the Interior, March 19, 1990, the foregoing resolution was adopted this 19th day of September 2000, at a duly called meeting held by the Community Council in Salt River, Arizona at which a quorum of 5 members were present by a vote of 5 for, 0 against, and 4 excused.

Salt River Pima-Maricopa Indian Community Council.

MERMA LEWIS,
Vice President.

MEDICARE COMPREHENSIVE QUALITY OF CARE AND SAFETY ACT OF 2000

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 5, 2000

Mr. STARK. Mr. Speaker, in March of 1998, the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry (Quality Commission) issued its final report, raising concerns about medical errors and recommending steps to reduce the incidence of medical errors. The Quality Commission urged that measuring and improving quality of care be made a national priority.

In June of 1998, the Congressional Medicare Payment Advisory Commission (MedPAC) reported on quality of care in Medicare, and in June of 1999, MedPAC made specific recommendations for improving quality of care in Medicare. MedPAC recommended:

That quality of care goals for Medicare, including minimizing preventable errors and increasing participation by patients in their care should be established, reviewed and revised through a public process; that systems be established in Medicare for monitoring, improving and safeguarding quality of care; that the Secretary work with the private sector to develop and use common, core sets of quality measures for monitoring quality; and that to the extent possible, quality of care systems in the traditional Medicare fee-for-service program and Medicare+Choice be comparable.

In July of last year, the Inspector General issued four reports citing major deficiencies in

the accreditation of hospitals to ensure that quality of care provided in hospitals for Medicare by the Joint Commission on the Accreditation of Health Care Organizations (JCAHO). The Inspector General made a series of recommendations for improving the accreditation of hospitals to ensure that quality of care provided in hospitals met Medicare standards. Also last year, the General Accounting Office issued reports citing major deficiencies in the accreditation of nursing facilities.

Then, in November of last year, the Institute of Medicine issued a report, "To Err is Human", which reported that almost 100,000 people may be killed each year by medical errors. The IOM recommended that improving health care safety be made a national priority and that a nationwide mandatory reporting system of medical errors by providers should be established. The IOM also called for a "culture of safety" in health care organizations. On February 10, 2000, the Ways and Means Health Subcommittee held hearings on the IOM report.

And yesterday, October 4, 2000, the Journal of the American Medical Association (JAMA) published an article reporting on the findings of a study on quality of care furnished to Medicare fee-for-service (FFS) beneficiaries. The study examined Medicare hospital claims by State for 24 quality of care performance indicators. The study found wide variation in quality of care both among States and among performance indicators.

The authors state: "Available data suggest that providing the services measured here could each save hundreds to thousands of lives a year." The authors report that "there has been no systematic program for monitoring the quality of medical care provided to FFS Medicare beneficiaries." The authors suggest that the results of the study "urgently invite a partnership among practitioners, hospitals, health plans, and purchasers to achieve improvement."

Today, I along with Mr. NEAL and Mr. JEFFERSON, am introducing legislation that would address the recommendations made by these distinguished organizations. For the first time since the Medicare program was enacted, my bill would establish quality of care as a major emphasis in Medicare.

The "Medicare Comprehensive Quality of Care and Safety Act of 2000" would for the first time in the history of Medicare establish a comprehensive quality of care and safety system in Medicare for setting quality of care goals and priorities, conducting research and setting standards for quality of care, monitoring quality, safeguarding quality, and establishing systems to improve information and education of patients and providers concerning quality of care issues.

Perhaps most important of all, my legislation will create a "culture of safety and quality" in health care by requiring every provider to establish a "Medicare Quality of Care and Safety Program" (MQCSP). Based on model fraud and abuse compliance plans developed and implemented by the HHS Inspector General, every Medicare provider would be required to implement a quality monitoring and error reduction program—"Medicare Quality of Care and Safety Program"—and to report serious failures to meet quality standards and medical

errors. The Secretary would be required to establish a national database of medical errors, as called for by the Institute of Medicine.

This legislation would establish a Medicare Quality and Safety Advisory Committee, which would be charged with recommending annual goals and priorities on quality of care. In the Medicare comprehensive quality of care system, the Secretary would be required to establish quality standards, including performance measures. The Secretary would be required to coordinate Medicare quality of care activities with those in other Agencies of the Department. As an example, the Centers for Disease Control and Prevention have for many years established and implemented performance standards for certain aspects of care; the CDC Medical Infection Disease System (MIDS) provides performance standards for limiting the spread of infectious diseases in hospitals. My legislation would require Medicare to make use of these standards and others already developed either in government or in the private sector. The Secretary would be required to establish systems to adopt these standards in Medicare and educate providers on their use.

Providers would be required to report quality of care and medical error data in a completely confidential system, and the Secretary would be required to establish data systems to monitor the performance of providers regarding quality of care and medical errors. The Secretary would be required to use standard data so that comparisons could be made across providers.

My legislation does not envision a punitive system, but rather a system of working together to achieve improvements in quality and error reduction. I believe that most medical errors are the result of systems failures, and my legislation would focus on correcting these systems errors. I also believe that improvement must come from within health care organizations, rather than being imposed from outside. That is why my legislation would focus on identifying and correcting systems failures from within. However, I also believe that information on best practices and standards must be collected at the national level and shared with health care providers.

This legislation would build on the organizations that are already charged with sharing information and helping to improve quality of care are the Peer Review Organizations (PROs). The Secretary would be required to develop standards and train the PROs regarding those standards. PROs, in turn, would train health care providers in implementing those standards. PROs would also be required to investigate serious failures by providers to meet quality standards, including serious medical errors, and work with providers to implement corrective action plans to modify systems or take other actions to improve quality and minimize errors.

As a way of increasing the confidence of providers in the PROs, fraud and abuse activities of the PROs would be phased out, and their work would be limited to quality related activities. The legislation would change the name of the PROs to "Quality Improvement Organizations" in keeping with their new emphasis in Medicare.